



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

FOR IMMEDIATE RELEASE

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Contact: Norman Googel

Phone: (800) 368-8808

Attorney General McGraw Announces Agreement with DIRECTV

Attorney General Darrell McGraw announced today that an agreement has been reached that resolves a long-standing dispute with DIRECTV of El Segundo, California, concerning its handling of requests by consumers in remote geographical areas to receive distant network programming on their home satellite dish systems.

In the Agreement, DIRECTV agreed to provide account credits or refunds of \$125 to each consumer whose request allegedly was not handled properly, resulting in account credits or refunds totaling \$152,000 for 1,216 West Virginia consumers.

The dispute between Attorney General Darrell McGraw and DIRECTV arose because of a provision in the federal "Satellite Home Viewer Improvement Act of 1999" (SHVIA) that governed the circumstances under which consumers could receive "distant network programming" on their home satellite dish systems. "Distant network programming" consists of broadcast network programming such as ABC, CBS, NBC and Fox from stations in distant locations such as New York or Los Angeles. Under SHVIA, consumers who received from their local network affiliates an over-the-air signal of at least grade B intensity as defined by the Federal Communications Commission ("FCC") were only permitted to receive local network programming using stationary outdoor rooftop antennae.

The initial determination of signal strength was made by means of an FCC-approved computer model that predicts the likely signal strength of local affiliates at a consumer's residence. Under the SHVIA, consumers who were told that their signal strength was sufficient to receive local network programming could request a waiver from the networks' local broadcast affiliates. However, requests for waivers were usually denied.

SHVIA used to allow consumers whose waivers were denied to ask the satellite carrier to conduct an on-site signal strength test to determine the "actual" strength of the signal. If the signal was less than grade B intensity, the consumer could purchase "distant network programming" from their satellite provider. If the consumers' signals were grade B or better, their only option was to receive local network programming using their rooftop antennae.

Attorney General McGraw opened his investigation of DIRECTV after learning that consumers who were denied waivers were not told that they could request the signal strength test and were advised instead "there is nothing further we can do." The Attorney General asserted that DIRECTV had an affirmative obligation to inform consumers who were denied waivers of their right to request the test.

Federal law has since been amended and consumers no longer have the right to request an on-site signal strength test. Also, many consumers now have the ability to receive local network programming on their satellite dish systems as a result of advances in technology. Nonetheless, the Attorney General asked, and DIRECTV agreed, to offer relief to West Virginia consumers who allegedly had been aggrieved by the past practices.

Attorney General McGraw stated, "Many West Virginia consumers live in remote rural areas where even cable television is not available. Thus, consumers' ability to receive network programming on their home satellite dish systems plays an important role in keeping them connected to the mainstream of news and popular culture. I commend DIRECTV for agreeing to grant this relief to West Virginia consumers who may have been wrongfully denied the right to receive distant network programming in the past."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the consumer web page at www.wvago.gov.

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